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Google



# Founding Google

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- Co-Founders Larry Page and Sergey Brin met as students at Stanford in 1995
  - They launched a search engine on the Stanford servers in 1996 called BackRub
    - eventually takes up too much bandwidth
- Google.com registered as a domain name on September 15, 1997
  - Play on the word “googol,” a mathematical term for the number represented by the numeral 1 followed by 100 zeros ( $10^{100}$ )
- Three Angel Investors made investments of \$100,000 to \$250,000 each.
- Google files for incorporation in California shortly after that time.

# Angel Investors include

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- Sun co-founder Andy Bechtolsheim
- Amazon.com founder Jeff Bezos,
- Stanford University computer science professor David Cheriton, and
- Entrepreneur Ram Shriram.

# How Google Evolved

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- Begin working from their dorms at Stanford
- raised \$1 million from *friends and family* to launch their startup, moving off Stanford's campus and into a rented garage.
- Set up workspace in a garage
  - Their first employee was a fellow computer science grad student, Craig Silverstein
- Outgrew their garage, and moved to bigger office space Palo Alto with 8 employees
- Urs Holzle joins the team as Senior Vice President of Operations
- Omid Kordastani joins to run sales
  - Steps down after 10 years to become Senior Advisor
- Eric Schmidt is named Chairman of the Board of Directors
  - Two months later becomes CEO until Larry Page reclaims title in 2011

# Leadership

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- January 20, 2010:
- Eric Schmidt resigns as President and becomes Chairman.
- Tweet: *“Adult-supervision no longer needed.”*
  - <http://www.businessinsider.com/larry-page-the-untold-story-2014-4>
    - This is a superb article documenting the growth of the team.

*“One danger to Google is that eventually — not this year, not this decade, but inevitably — it will be so huge that it will capture nearly all the money any businesses on the planet spends on marketing. As crazy as this sounds, it’s plausible. Google revenues are already bigger than all the money marketers spend on magazine and newspaper ads combined. It already owns all but the tiniest sliver of the online ad market. Google search is running out of room to grow.*

*For Page, this means he now spends much of his time asking himself what that future is going to be and how Google creates it.”*

-<http://www.businessinsider.com/larry-page-the-untold-story-2014-4>



# The Googleplex

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# Role of Each Key Team Member

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- Larry Page – CEO and Co-Founder
  - Day-to-day operations
  - Product development and technology strategy
  - As first CEO until 2001, grew the company to 200 employees and profitability
  - President of Products from 2001 to 2011
- Eric Schmidt – Executive Chairman
  - As Executive Chairman, responsible for building partnerships and broader business relationships
  - Advise the CEO and senior leadership on business and policy issues
  - Served as CEO from 2001-2011, helped grow Google to global leader in technology
  - Diversified product offerings while maintaining innovative culture

# Role of Each Key Team Member

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- **Sergey Brin – Co-Founder**
  - Directs special projects
  - From 2001-2011, served as president of technology
  - Shared responsibility of day-to-day operations
- **David C. Drummond – Senior Vice President, Corporate Development and Chief Legal Officer**
  - Served as Google's first outside counsel, worked with Larry and Sergey to incorporate the company and secure its initial round of financing
- **Patrick Pichette – Senior Vice President and Chief Financial Officer**
  - Nearly 20 years of experience in financial operations and management in telecommunications sector
  - Only Executive Officer with a bachelor's degree in business

## Motto: 'Don't be Evil?

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- In spite of their best efforts they often found themselves in conflict.
- Conflict with the Church of Scientology
  - Lawyers requested Google stop linking to an anti-Scientology site called Operation Clambake
  - Claimed the site displayed copyrighted Scientology content, by providing links to the information, Google was in violation of the Digital Millennium Copyright Act
- Verbal attack by Anita Roddick, British founder of the Body Shop, after Google removed a text ad for her site
  - Roddick called actor John Malkovich “vomitous worm” in her blog, violating a Google policy against accepting ads for sites that are “anti-” anything

# Government actions to restrict Google

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- The Chinese Government shuts down access to Google's site due to political concerns
- Google filtered its servers to block users in Germany, France, and Switzerland from accessing sites carrying racist material
  - No one at Google would comment on their actions

# Response from Google

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- Google complied with the law without letting the Scientologists erase their critics from the internet
  - They substituted a link to a form on the Chilling Effects' site that contains the web address to the page
- Chinese authorities restored access to the site, but with new filtering technology to block results of certain searches
  - Redirected to blank or government-approved sites
  - Blocked from access to Google for a couple hours
  - Google left China in 2010.
  - They are negotiating a return in 2017.
- Brin proposes compromise with Anita Roddick
  - If she removes her negative comment, he'll put her text ad back
  - She refuses, he sticks to his principles

# EU Fines Google Record Amount -\$2.7 billion

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- European Union regulators fined Google a record €2.4 billion (\$2.7 billion) for an antitrust violation,
  - June 2017
  - the latest legal challenge to American tech companies doing business in the region.
  - The European Commission claimed that the U.S. tech giant denied "consumers a genuine choice" by using its search engine to unfairly steer them to its own shopping platform.
  - Regulators said that Google must change its behavior within 90 days or face additional penalties.
  - Google continues to fight this legally
  - The EU is also investigating them for Android restrictions and other items.
  - <https://www.reuters.com/article/us-eu-google-antitrust/eu-fines-google-record-2-7-billion-in-first-antitrust-case-idUSKBN19I108>

# Involvement in Russia “Fake News” scandal?

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- **Senate Panel to summon Google in Russia Probe**
  - <http://www.politico.com/story/2017/09/27/google-russia-investigation-senate-intelligence-243215>
- **After Las Vegas Shooting, Fake News Regains Its Megaphone**
  - <https://www.nytimes.com/2017/10/02/business/las-vegas-shooting-fake-news.html>
  - “Roughly two-thirds of American adults get news from social media, which makes the methods these platforms use to vet and present information a matter of national importance.”
  - “Facebook and Google have spent billions of dollars developing virtual reality systems. They can spare a billion or two to protect actual reality.”
- **Google Is Said to Investigate Russia Meddling in U.S. Election**
  - <https://www.bloomberg.com/news/articles/2017-09-29/google-is-said-to-investigate-russia-meddling-in-u-s-election>
  - “Alphabet Inc.’s Google has begun an internal probe on whether Russia-linked actors used its advertising and services to influence last year’s U.S. presidential election, according to a person familiar with the matter. ”

# Social Media as a Public Utility?

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- “many people believe that social media has reached utility status and should be treated as a public utility. However, others believe that this is not true because social media is constantly revolutionizing and giving such platforms "utility status" would result in government regulation, which would consequently hinder innovation.”
  - [https://en.wikipedia.org/wiki/Social\\_media\\_as\\_a\\_public\\_utility](https://en.wikipedia.org/wiki/Social_media_as_a_public_utility)
- “Further, many such services are natural monopolies: Google, Ebay, Facebook, Amazon, all benefit greatly from network externalities (*Metcalfe's Law*) which means that the more people on the service, the more useful it is for everyone. This makes it very hard for a market leader to be challenged.”
  - Tufekci, Zeynup (17 February 2010). *"Google Buzz: The Corporation of Social Commons"*
    - <http://technosociology.org/?p=102>

# Legal Protection against suit

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- Communications Decency Act of 1996
- US Code: Title 47 Chapter 5 Subchapter II part I Section 230 (c) (1)
- 1) Treatment of publisher or speaker  
No provider or user of an interactive computer service shall be treated as the publisher or speaker of any information provided by another information content provider.
- This provides a fairly substantial protection for social media against liability for libel, slander, fake news, and other false information.
- It also makes it more difficult for an injured party to obtain redress.
- In 2020 this became a huge issue in which support for repeal came from both President Trump and some Democrats. It's complicated.

# Larry Page to Google investors in 2012.

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- “Anything you can imagine probably is doable,” “You just have to imagine it and work on it.”
  - <http://www.businessinsider.com/larry-page-the-untold-story-2014-4>



# Questions for the class:

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- How did each team member bring his own culture and talents to Google?
- Do you feel that Google maintained its focus on "don't be evil" in addressing the potential censorship by Scientology, restrictions from the Chinese Government, creation of a digital library of books, and interactions with the NSA?
- Why do you think they picked Eric Schmidt as the CEO?
- Do you agree with the EU claim that they illegally steer buyers to Google sites instead of others?
- What do you see as the next set of big challenges for Google?

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- EU Legal problem: <http://money.cnn.com/2017/06/27/technology/business/google-eu-antitrust-fine/index.html>